



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF PLANNING AND BUDGET


KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

MEMORANDUM

DATE: September 17, 2007

TO: Department Heads, Undersecretaries, and Fiscal Officers

FROM: Ray L. Stockstill
Director 

RE: PREPARATION OF FISCAL YEAR 2008-2009 BUDGET DOCUMENTS

For Fiscal Year 2008-2009, all budget forms, addenda forms, and instructions are available in Microsoft Excel and PDF. Electronic versions of these forms are available on the Office of Planning and Budget (OPB) website <http://www.doa.louisiana.gov/opb/index.htm>. To download budget forms, addenda forms, and instructions, first access the OPB website; then select PBB Forms and Guidelines > Budget Forms and Instructions from the navigation menu. The Forms and Guidelines page contains a link entitled FY 2008-2009 Budget Forms. Right click on the link, select "**Save Target As...**" and choose a place on your hard-drive to save the file named *opb_forms.zip*. This zip file contains all budget forms and their instructions. Once you have downloaded the file *opb_forms.zip* to your computer, use Windows Explorer to locate this file in the folder where you saved it. After you locate this file, double click on it to unzip the budget forms and save them to your computer. The OPB developed these forms using Microsoft Excel so you will need to use software that is capable of using this format. The budget form instructions are in PDF, so you must use software that can read this format in order to read these instructions.

It is important that you take the time to carefully read through the entire packet.

Total Budget Request

Title 39 mandates that budget development be on the basis of **appropriation levels** rather than **continuation levels**. However, Continuation Level is an important interim step in the budget development process. Agencies will prepare their budget requests with the current year existing operating budget as the budget request base to which adjustments are made to arrive at the total budget request. The "total budget request", must be submitted on or before **November 1, 2007**. It consists of six (6) separate components: the operational plan, the existing operating budget, the continuation budget, the technical/other adjustment package, new or expanded service requests, and total request. The total budget request should be accompanied by the addenda identified in this letter.

Hurricane disaster recovery funding should be distinctly indicated in the various components of the budget request. Clear descriptions of the uses and sources of the hurricane disaster recovery funding should be provided.

The existing operating budget (EOB) is your current year appropriation level adjusted for all APs, RBs, EBs, and BA-7s approved as of September 30, 2007. An EOB performance standard is the initial performance standard (from Act 18 or Act 48 of the 2007 Regular Legislative Session), adjusted for all August 15th performance standard adjustments and BA-7s approved as of September 30, 2007.

The development of continuation budget (CB forms) allows the identification of the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year, including any adjustments necessary to account for the increased cost of services or materials due to inflation and estimated increases in workload requirements resulting from demographic or other changes. Performance indicators must be used to justify workload adjustments in continuation budget forms.

New or expanded service requests (NE forms) provide information relative to the cost of new and/or expanded services, defined as (1) increases caused by a change in laws, regulations, or procedures which are/were controllable by the agency, and (2) additional services not previously provided nor defined under the workload criteria. Performance sections must be filled out to explain how objectives and performance indicators will be affected by the NE request.

Technical/Other Adjustments (T/OAP forms) reflect adjustments from the Continuation Level that allow for technical changes and transfers of a program or function from one agency or department to another agency or department. Any changes reflected by these forms (T/OAP) must have a zero statewide impact. Technical/Other Adjustments forms also contain a section, which must be filled out, to explain how the items of this form will affect performance.

The total request summary (TR-SUMM forms) provides a ready reference and a cross-check of the “total budget request”. To capture the total hurricane disaster recovery funding contained at the various time periods and stages of the agency’s budget request, the TR-SUMM form has been modified to reflect “total budget request”, “total hurricane disaster recovery funding”, and “total budget request excluding hurricane disaster recovery funding”.

The operational plan (OP) is the principal narrative portion of the budget request. It is the annual work plan of an agency and its component programs. As such, it must include a description of agency and program missions, goals, activities, objectives, and performance indicators. Use the OP form included in the budget request package. It is important that you carefully read and follow the “Operational Plan Guidelines and Instructions.” OP guidelines have been modified to require the use of strategic objectives. As a result, the “Strategic Link” will no longer be required after each objective. This change links strategic and operational plans more directly and streamlines the operational planning process. The operational plan should clearly reflect – where applicable – hurricane recovery efforts of the agency.

When preparing your “total budget request”, use the following guidelines:

1. Justifications: Full justifications of requests and data, including performance indicators, are imperative. Use continuation sheets where needed.
2. Personal Services: Explanations and calculations of lines 13 through 36 in columns 7 through 9 on the TR-Salaries form must be shown as a part of your explanations of the CB, T/OAP and NE forms.

The ISIS-Human Resources (HR) payroll system enables the generation of more accurate, detailed reports, including the ZP116 base level report. The ZP116 report will be used to calculate the salary and related benefits required by each of your agencies. The ZP116 form should be downloaded (converted) to an Excel format. Use this Excel spreadsheet as the basis for your salary and related benefits base level calculations.

All budget requests that are different from the base-level ZP116 report from the HR system MUST be fully documented/justified. All budget requests MUST start with the base level report as of September 30, 2007 and detail all exceptions.

Should you be unable to fully document/justify requested changes, the base-level ZP116 will be utilized for your agency's salary and related benefits budget.

YOU MUST IDENTIFY YOUR VACANCIES ON THE ZP116 REPORT. As referenced in the Commissioner of Administration's ISIS-HR Memorandum dated Thursday, February 9, 2006 (http://www.doa.louisiana.gov/OPB/faf/ISIS_HR_Use.pdf).

We suggest you run this report early to identify any problem in order that corrections can be made in the HR system's database. OPB intends to utilize but not be limited to the following reports:

ZP116 - for filled positions

ZP 16 - for a Summary report of position data by personnel sub-area

3. Related Benefits:
 - A. Retirement - Form BR-12 asks you to "Post the actuarial rates for the Existing Operating Budget for each applicable retirement system". Please be apprised that the percentages for each system are:

	<u>UAL + NORMAL = TOTAL</u>		
(1) State Employees Retirement System	12.9%	7.5%	20.4%
(2) Teachers State Retirement System	10.3%	6.3%	16.6%

The retirement system rates are preliminary and may be revised later if necessary!

B. FICA - Use the following percentages for computation:

- | | |
|----------------------------|--|
| (1) FICA (Social Security) | 6.2%, up to a maximum salary of \$98,200 |
| (2) Medicare FICA | 1.45%, no maximum salary |

C. Group Insurance – The Office of Planning and Budget is working with the Office of Group Benefits regarding any anticipated rate increases for Fiscal Year 2008-2009 and will forward the growth rate to use in developing FY 08-09 budget request at a later date.

4. Operating Expenses and Professional Services: Standard inflation factor

- (1) 2.1% general inflation
- (2) 4.9% medical inflation

5. Acquisitions/Major Repairs: These must be fully justified and requested on the appropriate form. New and replacement equipment must be identified.

The definition of acquisitions has been revised in the “CLARIFICATION OF ACQUISITION OBJECTS” memorandum from Office of Statewide Reporting and Accounting Policy (OSRAP) referenced as MEMORANDUM OSRAP 02-05 dated August 14, 2001.

6. IAT: All agencies with Interagency Transfer (IAT) revenues or expenses must coordinate and ensure that both agencies agree on the amount of the IAT. Justify each increased/decreased IAT revenue. **Signed IAT agreements must be submitted with the full budget request**, which is due on **November 1, 2007**. Please refer to Memorandum OSRAP 03-03 dated July 22, 2002 regarding Interagency Transfers. Failure to coordinate will jeopardize the inclusion of IAT authority in the Executive Budget!

There are certain mandated statewide IAT expenditures for which agreements cannot be executed by November due to the computation of these numbers/costs not being finalized prior to near completion of the Executive Budget process. Although this is not a complete listing, some examples are Civil Service, Division of Administrative Law, Comprehensive Public Training Program, State Treasurer, and Legislative Auditor. If you have questions concerning this process, please contact your OPB budget analyst. Expenditures for these services should be requested at the current year invoiced amount. IAT agreements are to be executed and copies forwarded to the OPB when the amounts are actually determined for these items.

7. Insurance premiums through the Office of Risk Management should be included in the Existing Operating Budget at the 2008-2009 Existing Operating Budget as of 9/30/07. Do not request any increases at continuation.

8. Payments made to the Louisiana Office Facilities Corporation (LOFC), and/or State Buildings and Grounds for operations and maintenance and/or rental charges should be requested at the current year appropriated level.
9. New or Expanded Service Requests: No restriction will be placed on an agency request; however, consideration should be given to the state's limited resources. The forms must be identified by program. Each request must be prioritized at the departmental and budget unit level.
10. Unless the OPB has given written authority for program modification, the agency's programs must be as reflected in the Existing Operating Budget as of September 30, 2007. Any program modifications should be requested in the TOAPs.

Addenda

There are five (5) addenda to the Total Budget Request packet: Activities, Sunset Review, Information Technology, Children's Budget, and Louisiana Workforce Commission. All addenda forms and instructions are available on the OPB website. Submit these addenda to the Office of Planning and Budget as separate packages accompanying the "total budget request".

- The Activities addendum breaks programs into discretionary and non-discretionary activities.
- The Sunset Review addendum identifies legislatively authorized activities for which implementation funding has not been provided.
- The Information Technology (IT) addendum requests costs associated with the acquisition and operation of IT activities. All IT request will be prepared and submitted online (http://sonris-www.dnr.state.la.us/oit/cart_prod/pkg_oit_wf.initiate) using the information technology workflow process. Questions regarding the on-line IT workflow process should be directed to Barbara Oliver via e-mail at itbudget@la.gov. Please note that the IT-0 budget form (that can be downloaded from the workflow website listed above) must be submitted with your total budget request to OPB, and an electronic copy in Excel format submitted via e-mail to itbudget@la.gov.
- The Children's Budget, as mandated by R.S. 46:2603 and 2604, is a subset of information provided elsewhere in the budget request and is designed to provide information relative to the cost of children's services. Children's Budget forms include Child Forms DT, DS, DC, AS, AC, Child-1 and Child-2. All agencies should carefully analyze their programs and review the Children's Budget Instructions before making a determination about whether or not they are subject to the provisions of the statute. The completed Children's Budget addendum must be submitted to the Office of Planning and Budget with the budget request; a copy must be submitted also to Mr. Adren Wilson, Executive Director, Children's Cabinet, Office of the Governor at (225) 342-3327.
- Budget units subject to the provisions of Act 1 of 1997, which created the Louisiana Workforce Commission (WFC), must comply with additional budget request requirements (except as limited, restricted, or otherwise prohibited by the Constitution of Louisiana). Questions regarding the WFC addendum should be directed to Carla Landry at (225) 342-1204. The completed WFC addendum must be submitted by **November 1, 2007**, to the Louisiana Workforce Commission. In

addition, the completed addendum should accompany all copies of the total budget request submitted to the Office of Planning and Budget. See Appendix A of the WFC Budget Request Instructions and Guidelines for Fiscal Year 2008-09 for a listing of Agencies Required To Submit A Workforce Development Budget Request.

Submission of “Total Budget Request” and Addenda

No later than **November 1, 2007**, submit the following:

<u>To Recipient Agency</u>	<u>Number of Copies</u>
Office of Planning and Budget 1201 North Third Street Claiborne Building, Suite 7-150 Baton Rouge, LA 70802	<u>Original</u> and two (2) copies [three (3) sets in all] of the “total budget request” and addenda
Legislative Fiscal Office 18th Floor, State Capitol Building 900 North Third Street P.O. Box 44097 Baton Rouge, LA 70804	One (1) copy of the “total budget request” and addenda
Joint Legislative Committee on the Budget 1st Floor, State Capitol Building	One (1) copy of the “total budget request” and addenda
Senate Finance Committee 1st Floor, State Capitol Building	One (1) copy of the “total budget request” and addenda
House Appropriations Committee 11th Floor, State Capitol Building	One (1) copy of the “total budget request” and addenda
Performance Audit Division Office of the Legislative Auditor 1600 North Third Street Baton Rouge, LA 70802	One (1) copy of the “total budget request” and addenda
Louisiana Workforce Commission Office of Workforce Commission 224 Florida Boulevard, Suite 301 Baton Rouge, LA 70802	Agencies subject to the provisions of Act 1 of 1997 must submit one (1) copy of the Louisiana Workforce Commission addendum
Attn: Mr. Adren Wilson Children’s Cabinet Office of the Governor P. O. Box 94004	Agencies subject to the provisions of the Children’s Cabinet must submit one (1) copy of the Children’s Budget addendum

Baton Rouge, LA 70804-9004

Attn: Barbara Oliver
<mailto:itbudget@la.gov>

An electronic copy of all IT
Details Form(s)

It is the responsibility of the submitting agency to ensure that all forms are delivered to the appropriate recipient agencies, as stated above.

If you have any questions pertaining to any of the OPB forms or instructions please contact your budget analyst.

Thank you for your cooperation in filing a complete and timely set of budget documents.

RS/BD/ejhw

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